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QUARTERLY STATEMENT

OF THE

UAHC HEALTH PLAN OF TENNESSEE INC

of MEMPHIS

in the state of TENNESSEE

TO THE

Insurance Department

OF THE

STATE OF TENNESSEE

FOR THE QUARTER ENDED

June 30, 2007

HEALTH

2007



00000200720100102

**HEALTH QUARTERLY STATEMENT**

AS OF JUNE 30, 2007  
OF THE CONDITION AND AFFAIRS OF THE  
UAHC Health Plan of Tennessee

NAIC Group Code	0000	0000	NAIC Company Code	00000	Employer's ID Number	62-1547197
	(Current Period)	(Prior Period)				
Organized under the Laws of	TN		State of Domicile or Port of Entry	TN		
Country of Domicile	US					
Licensed as business type:	Life, Accident & Health	<input type="checkbox"/>	Property/Casualty	<input type="checkbox"/>	Hospital, Medical & Dental Service or Indemnity	<input type="checkbox"/>
	Dental Service Corporation	<input type="checkbox"/>	Vision Service Corporation	<input type="checkbox"/>	Health Maintenance Organization	<input type="checkbox"/>
	Other	<input type="checkbox"/>	Is HMO Federally Qualified?	YES <input type="checkbox"/> NO <input type="checkbox"/>		
Incorporated/Organized:	October 6, 1993		Commenced Business:	January 3, 1994		
Statutory Home Office:	1769 Paragon Suite 100	Memphis, TN	38132			
Main Administrative Office:	1769 Paragon Suite 100	Memphis, TN	38132	901-348-2201		
Mail Address:	1769 Paragon Suite 100	Memphis, TN	38132			
Primary Location of Books and Records:	1769 Paragon Suite 100	Memphis, TN	38132	901-348-2201		
Internet Website Address:	N/A					
Statutory Statement Contact:	Stephen Harris			000-000-0000		
	sharris@uahc.com			901-348-2212		
Policyowner Relations Contact:	1769 Paragon Suite 100	Memphis, TN	38132	000-000-0000		

**OFFICERS**

	Name	Title
1.	Stephanie Dowell	Chief Executive Officer
2.	Stephen Harris	Chief Financial Officer
3.		

**Vice-Presidents**

Name	Title	Name	Title
Myla Johnson	Vice-President Medical Services	Stacy Hill	Vice-President MIS
Edward Reed M.D.	Senior Vice-President & Medical Director		

**DIRECTORS OR TRUSTEES**

Stephanie Dowell	Stephen Harris	Tom Goss	Samuel King
Grover Barnes M.D.	Julius V. Combs, M.D.	Griselle Figueredo, M.D.	Lloyd Robinson
Logan Miller M.D.	Neal Beckford M.D.	Stan Sawyer	William Brooks
Ricky Wilkins			

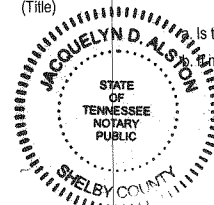
State of Tennessee ..... ss  
County of Shelby .....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Stephanie Dowell	Stephen Harris	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Executive Officer	Chief Financial Officer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this  
31st day of AUGUST, 2007

My Commission Expires  
May 31, 2010



Is this an original filing? YES ☒ NO ☐  
1. State the amendment number  
2. Date filed 08/31/2007  
3. Number of pages attached

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	9,486,433		9,486,433	7,445,153
2. Stocks				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 4,567,319 ), cash equivalents (\$ 0 ) and short-term investments (\$ 0 )	4,567,319		4,567,319	1,822,987
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets	500,000		500,000	3,025,336
8. Receivables for securities				
9. Aggregate write-ins for invested assets	2,300,000	2,300,000		
10. Subtotals, cash and invested assets (Lines 1 to 9)	16,853,752	2,300,000	14,553,752	12,293,476
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	495,344		495,344	358,420
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,093,638		1,093,638	1,156,198
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	816,102		816,102	
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0 )				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 360,956 ) and other amounts receivable	690,016	681,206	8,810	
23. Aggregate write-ins for other than invested assets	81,520	81,520		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	20,030,372	3,062,726	16,967,646	13,808,094
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	20,030,372	3,062,726	16,967,646	13,808,094

DETAILS OF WRITE-INS			
0901. ESCROW PER STATE OF TN (RESERVE)	2,300,000	2,300,000	
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	2,300,000	2,300,000	
2301. PREPAID EXPENSES	81,520	81,520	
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	81,520	81,520	

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 25,000 reinsurance ceded)	464,567		464,567	
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	278,801		278,801	
9. General expenses due or accrued	388,585		388,585	204,304
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))	891,375		891,375	369,651
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	510,086		510,086	58,476
16. Payable for securities				
17. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ 455,193 current)	2,939,728		2,939,728	1,476,447
22. Total liabilities (Lines 1 to 21)	5,473,142		5,473,142	2,108,878
23. Aggregate write-ins for special surplus funds	XXX	XXX		
24. Common capital stock	XXX	XXX	200,000	200,000
25. Preferred capital stock	XXX	XXX	12,550,000	12,550,000
26. Gross paid in and contributed surplus	XXX	XXX		
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX		
29. Unassigned funds (surplus)	XXX	XXX	(1,255,496)	(1,050,784)
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0 )	XXX	XXX		
30.2 0 shares preferred (value included in Line 25 \$ 0 )	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	11,494,504	11,699,216
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	16,967,646	13,808,094

DETAILS OF WRITE-INS				
2101. PREMIUM TAX PAYABLE	1,093,638		1,093,638	1,156,198
2102. AMENDMENT 3 - OTHER	1,846,090		1,846,090	320,249
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	2,939,728		2,939,728	1,476,447
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX		
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1	2	3 <sup>a</sup>
	Uncovered	Total	Total
1. Member Months	X X X	643,580	735,809
2. Net premium income (including \$ 0 non-health premium income)	X X X	921,158	
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	501,789	360,956
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	1,422,947	360,956
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		509,807	(82,622)
10. Other professional services		158,343	
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		208,357	
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		876,507	(82,622)
<b>Less:</b>			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		876,507	(82,622)
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 61,015 cost containment expenses		167,016	3,087,745
21. General administrative expenses		(956,773)	(3,344,180)
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		86,750	(339,057)
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,336,197	700,013
25. Net investment income earned		356,497	383,835
26. Net realized capital gains (losses) less capital gains tax of \$ 0			
27. Net investment gains (losses) (Lines 25 plus 26)		356,497	383,835
28. Net gain or (loss) from agents' or premium balances charged off [( amount recovered \$ 0 ) (amount charged off \$ 0 )]			
29. Aggregate write-ins for other income or expenses		(1,525,841)	
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	166,853	1,083,848
31. Federal and foreign income taxes incurred	X X X	521,724	447,601
32. Net income (loss) (Lines 30 minus 31)	X X X	(354,871)	636,247

DETAILS OF WRITE-INS			
0601. TENNCARE RISK TARGET REVENUE	X X X	501,789	360,956
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	501,789	360,956
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. CLAIMS AUDIT RESERVE		(1,070,648)	
2902. AMENDMENT 3 - OTHER		(455,193)	
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		(1,525,841)	

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year	11,699,216	10,771,593	10,771,593
34. Net income or (loss) from Line 32	(354,871)	636,247	4,204,636
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	29,647	(56,974)	48,599
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	120,512	(110,210)	(406,313)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			(2,919,299)
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	(204,712)	469,063	927,623
49. Capital and surplus end of reporting period (Line 33 plus 48)	11,494,504	11,240,656	11,699,216
<b>DETAILS OF WRITE-INS</b>			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

Report #2A TENNCARE OPERATIONS STATEMENT OF REVENUE AND EXPENSES

Statement as of June 30, 2007 of UAHC Health Plan of TN, Inc.

	Current Period	Current Year to Date	Prior Calendar Year
<b>MEMBER MONTHS</b>	324,522	642,260	1,418,559
<b>REVENUES:</b>	-	-	-
1. TennCare Capitation	52,167,573	104,612,309	211,283,040
2. Investment	229,958	406,809	638,027
3. Other Revenue (Provide detail)	33,446,327	38,433,917	49,095,008
4. <b>TOTAL REVENUES (Lines 1 to 3)</b>	85,843,858	143,453,034	261,016,075
<b>EXPENSES:</b>	-	-	-
Medical and Hospital Services	-	-	-
5. Capitated Physician Services	1,423,601	2,862,354	6,161,715
6. Fee-for-Service Physician Services	5,352,626	10,786,347	20,367,814
7. Inpatient Hospital Services	13,287,993	25,244,763	53,067,885
8. Outpatient Services	16,896,981	35,009,118	69,911,107
9. Emergency Room Services	5,175,842	10,885,140	20,482,689
10. Mental Health Services	-	-	-
11. Dental Services	-	-	193
12. Vision Services	397,941	771,354	1,717,426
13. Pharmacy Services	-	-	-
14. Home Health Services	450,200	901,294	1,714,794
15. Chiropractic Services	-	-	-
16. Radiology Services	1,080,355	2,105,988	4,611,431
17. Laboratory Services	502,138	1,423,310	603,646
18. Durable Medical Equipment Services	567,351	1,170,591	2,153,898
19. Transportation Services	1,638,048	3,268,681	7,177,599
20. Outside Referrals	-	-	-
21. Medical Incentive Pool and Withhold Adjustments	-	-	-
22. Occupancy, Depreciation, and Amortization	-	-	-
23. Other Medical and Hospital Services (Provide detail)	33,558,621	38,716,410	52,229,218
24. Subtotal (Lines 5 to 23)	80,331,698	133,145,350	240,199,415
25. Reinsurance Expenses Net of Recoveries	-	-	-
<b>LESS:</b>	-	-	-
26. Copayments	-	-	-
27. Subrogation	(4,284)	(59,879)	(29,037)
28. Coordination of Benefits	(229,747)	(422,122)	(819,643)
29. Subtotal (Lines 26 to 28)	(234,031)	(482,001)	(848,680)
30. <b>TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)</b>	80,097,667	132,663,349	239,350,735
Administration:	-	-	-
31. Compensation	1,363,773	2,635,216	5,098,065
32. Marketing	33,485	94,606	208,735
33. Interest Expense	-	-	-
34. Premium Tax Expense	1,142,189	2,292,992	4,582,658
35. Occupancy, Depreciation and Amortization	145,969	290,363	564,523
36. Other Administration (Provide detail)	3,031,715	5,092,102	9,920,462
37. <b>TOTAL ADMINISTRATION (Lines 31 thru 36)</b>	5,717,131	10,405,280	20,374,443
38. <b>TOTAL EXPENSES (Lines 30 and 37)</b>	85,814,798	143,068,629	259,725,178
39. <b>NET INCOME (LOSS) (Line 4 less 38)</b>	29,060	384,405	1,290,897

Statement as of June 30, 2007 of UAHC Health Plan of TN Inc.

	Current Period	Current Year to Date	Prior Year
<b><u>Line 3 - Other Revenue</u></b>			
Pharmacy Rebates	-	-	-
Administrative Fee Revenue from State	3,748,348	7,585,135	16,105,394
Revenue from State for Premium Tax	1,142,189	2,292,992	4,582,658
Miscellaneous Revenue	-	-	-
Shared Risk Revenue	501,790	501,790	360,956
IBNR	28,054,000	28,054,000	28,046,000
Total	<u>\$33,446,327</u>	<u>\$38,433,917</u>	<u>49,095,008.00</u>
<b><u>Line 23 - Other Medical and Hospital Services</u></b>			
Other Referral/Specialist Services	\$5,504,621	\$10,662,410	\$24,258,134
Other	-	-	(\$74,916)
Physical Therapy	-	-	-
IBNR	28,054,000	28,054,000	28,046,000
Total	<u>\$33,558,621</u>	<u>\$38,716,410</u>	<u>\$52,229,218</u>
<b><u>Line 36 - Other Administration</u></b>			
Accounting Services	\$32,490	\$58,118	170,441
Legal Services	\$264	\$2,991	213
Professional Services	1,195,768	2,434,983	5,971,449
Board of Directors' Meetings	16,303	30,085	73,058
Bank Charges	8,566	14,459	2,642
Administrative Expenses	756,357	1,143,210	2,296,551
Consumables	99,593	240,321	310,030
Travel & Entertainment	44,781	87,066	162,764
Miscellaneous Expense	1,535,741	1,543,441	-
Provision for Income Taxes	-	195,577	887,106
Deferred Income Tax	(658,149)	(658,149)	-
Provision for Income Taxes of Mgmt company	-	-	46,208
Total	<u>\$3,031,715</u>	<u>\$5,092,102</u>	<u>\$9,920,462</u>



**CASH FLOW**

		1	2
		Current Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance		921,158	
2. Net investment income		224,286	336,036
3. Miscellaneous income		59,879	464,908
4. Total (Lines 1 to 3)		1,205,323	800,944
5. Benefit and loss related payments			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions		521,833	(557,227)
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			369,275
10. Total (Lines 5 through 9)		521,833	(187,952)
11. Net cash from operations (Line 4 minus Line 10)		683,490	988,896
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			45,309
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)			45,309
13. Cost of investments acquired (long-term only):			
13.1 Bonds			310,000
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			40,206
13.7 Total investments acquired (Lines 13.1 to 13.6)			350,206
14. Net increase (or decrease) in contract loans and premium notes		29,647	
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)		(29,647)	(304,897)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)		2,090,489	(243,103)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)		2,090,489	(243,103)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)		2,744,332	440,896
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year		1,822,987	1,382,091
19.2 End of period (Line 18 plus Line 19.1)		4,567,319	1,822,987
Note: Supplemental disclosures of cash flow information for non-cash transactions:			
20.0001.			
20.0002.			
20.0003.			

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	110,534								110,534	
2. First Quarter	318,204							466	317,738	
3. Second Quarter	325,376							854	324,522	
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	643,580							1,320	642,260	
Total Member Ambulatory Encounters for Period:										
7. Physician	122,231							238	121,983	
8. Non-Physician	20,222							52	20,170	
9. Total	142,453							290	142,153	
10. Hospital Patient Days Incurred	27,623								27,623	
11. Number of Inpatient Admissions	2,287								2,287	
12. Health Premiums Written (a)	921,158							921,158		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services										
18. Amount Incurred for Provision of Health Care Services	851,456							851,456		

(a) For health premiums written; amount of Medicare Title XVIII exempt from state taxes or fees \$ 0

[illegible]

# **UNDERWRITING AND INVESTMENT EXHIBIT** **ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare		411,940		464,567		
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)		411,940		464,567		
10. Healthcare receivables (a)						
11. Other non-Health						
12. Medical incentive pools and bonus amounts						
13. Totals		411,940		464,567		

(a) Excludes \$ 0 Loans or advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of UAHC Health Plan of Tennessee, Inc. are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee.

There are no reconciling items between the Company's net income and capital and surplus between NAIC SAP practices prescribed and permitted by the state of Tennessee.

**2. Accounting Changes and Corrections of Errors**

None

**3. Business Combinations and Goodwill**

None

**4. Discontinued Operations**

None

**5. Investments**

None

**6. Joint Ventures, Partnerships and limited Liability Companies**

None

**7. Investment Income**

None

**8. Derivative Instruments**

None

**9. Income Tax**

None

**10. Information Concerning Parent, Subsidiaries and Affiliates**

None

**11. Debt**

None

**12. Retirement Plans, Deferred Compensation, Post employment benefits and Compensated Absences and other Postretirement Benefit Plans**

None

## NOTES TO FINANCIAL STATEMENTS

13. **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Reorganizations.**

None

14. **Contingencies**

None

15. **Leases**

No Change

16. **Off Balance Sheet Risk**

None

17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments Of Liabilities.****C. Wash Sales**

None

18. **Gain or loss to the company from Uninsured A&H Plans and Uninsured Portion of Of Partially Insured Plans**

None

19. **Direct Premium Written/Produced by managing general agents/third party Administrators.**

None

20. **Other Items**

As a result of a state regulatory audit of UAHC-TN's process claims since 2002, UAHC-TN was notified by the third party auditor that UAHC-TN may have incorrectly received an overpayment of \$1.1 million for medical claims as a result of a discrepancy in pricing methodology. As a result, UAHC-TN recorded a reserve of \$1.1 million against the related existing escrow account in the second quarter of 2007. In addition, based on a regulatory evaluation conducted by the Tennessee Department of Commerce and Insurance, it was determined that TennCare likely overpaid UAHC-TN \$0.4 million in excess of UAHC-TN's statutory net worth requirement as of June 30, 2002. The Company recorded a reserve for this amount in the second quarter of 2007.

21. **Events Subsequent**

None

22. **Reinsurance**

No Change

23. **Retrospectively Rated Contracts**

None

24. **Organization and Operations**

## NOTES TO FINANCIAL STATEMENTS

None

25. **Salvage and Subrogation**

None

26. **Change in Incurred claims and Claim adjustment Expense**

None

27. **Minimum Net Worth**

No Change

**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

**PART 1 - COMMON INTERROGATORIES****GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?
- 1.2 If yes, has the report been filed with the domiciliary state?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end?  
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

Yes [ ] No [X]

Yes [ ] No [ ]

Yes [ ] No [X]

Yes [ ] No [X]

Yes [ ] No [X]

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 6.4 By what department or departments?
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

Yes [ ] No [X] N/A [ ]

04/30/2005

12/31/2004

05/31/2006

Yes [ ] No [X]

Yes [ ] No [X]

Yes [ ] No [X]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC



**GENERAL INTERROGATORIES (Continued)**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes ☒ No ☐

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended?

Yes ☐ No ☒

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes ☐ No ☒

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

**FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ☐ No ☒

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ \_\_\_\_\_

**INVESTMENT**

11.1 Has there been any change in the reporting entity's own preferred or common stock?

Yes ☐ No ☒

11.2 If yes, explain

12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒

12.2 If yes, give full and complete information relating thereto:

13. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ \_\_\_\_\_

14. Amount of real estate and mortgages held in short-term investments:

\$ \_\_\_\_\_

15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☐ No ☒

15.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/ Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds	\$ _____	\$ _____
15.22 Preferred Stock	\$ _____	\$ _____
15.23 Common Stock	\$ _____	\$ _____
15.24 Short-Term Investments	\$ _____	\$ _____
15.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
15.26 All Other	\$ _____	\$ _____
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	\$ _____	\$ _____
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$ _____	\$ _____

16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.Yes ☐ No ☒

**GENERAL INTERROGATORIES (Continued)**

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ ] No [X]

- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?  
17.4 If yes, give full and complete information relating thereto:

Yes [ ] No [X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [ ] No [X]

- 18.2 If no, list exceptions:

**SCHEDULE A - VERIFICATION****Real Estate**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period		
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

**SCHEDULE BA - VERIFICATION****Other Invested Assets**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	3,025,336	2,605,000
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		411,633
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	(2,525,336)	8,703
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period	500,000	3,025,336
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	500,000	3,025,336
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)	500,000	3,025,336

**SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	7,445,153	7,140,257
2. Cost of bonds and stocks acquired		265,000
3. Accrual of discount		
4. Increase (decrease) by adjustment	2,041,280	(5,413)
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of		(45,309)
8. Amortization of premium		
9. Book/adjusted carrying value, current period	9,486,433	7,445,153
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	9,486,433	7,445,153
12. Total nonadmitted amounts		
13. Statement value	9,486,433	7,445,153

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book / Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book / Adjusted Carrying Value End of First Quarter	6 Book / Adjusted Carrying Value End of Second Quarter	7 Book / Adjusted Carrying Value End of Third Quarter	8 Book / Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1	7,475,144			2,011,289	7,475,144	9,486,433		7,445,153
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	7,475,144			2,011,289	7,475,144	9,486,433		7,445,153
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	7,475,144			2,011,289	7,475,144	9,486,433		7,445,153
15. Total Bonds & Preferred Stock								

NONE	Schedule DA - Parts 1 and 2
NONE	Schedule DB - Part F - Section 1
NONE	Schedule DB - Part F - Section 2

## SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
Life and Annuity - Affiliates						
Life and Annuity - Non-Affiliates						
Accident and Health - Affiliates						
Accident and Health - Non-Affiliates						
92711	35-1817054	01/01/2007	HCC LIFE INSURANCE COMPANY	MINNESOTA	SSL/L	YES

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

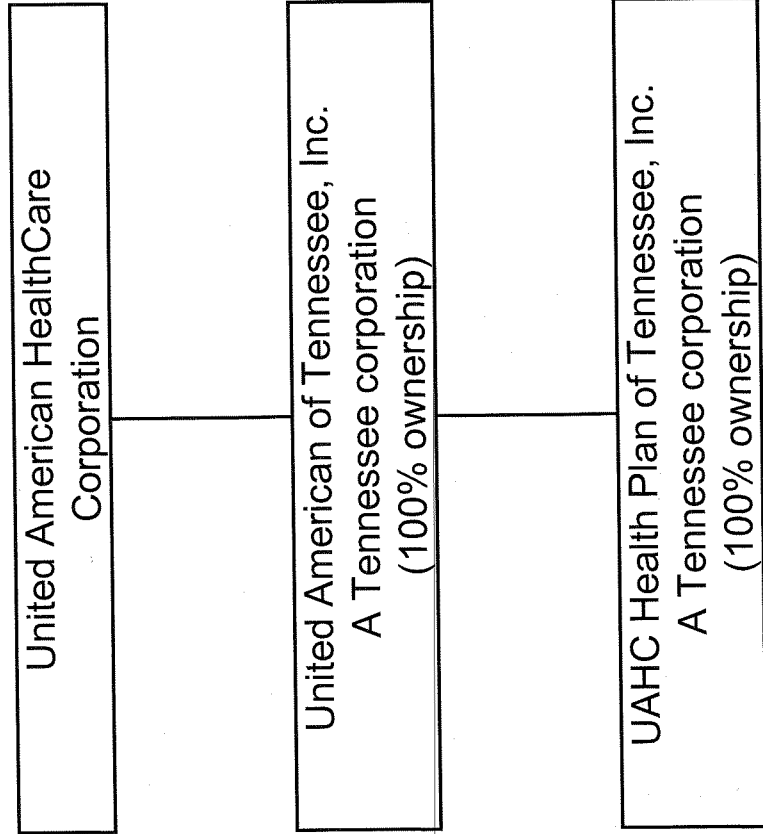
Current Year to Date - Allocated by States and Territories

State, Etc.		1	Direct Business Only Year To Date							
			2	3	4	5	6	7	8	9
Is Insurer Licensed (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts		
1. Alabama	AL	NO								
2. Alaska	AK	NO								
3. Arizona	AZ	NO								
4. Arkansas	AR	NO								
5. California	CA	NO								
6. Colorado	CO	NO								
7. Connecticut	CT	NO								
8. Delaware	DE	NO								
9. Dist. Columbia	DC	NO								
10. Florida	FL	NO								
11. Georgia	GA	NO								
12. Hawaii	HI	NO								
13. Idaho	ID	NO								
14. Illinois	IL	NO								
15. Indiana	IN	NO								
16. Iowa	IA	NO								
17. Kansas	KS	NO								
18. Kentucky	KY	NO								
19. Louisiana	LA	NO								
20. Maine	ME	NO								
21. Maryland	MD	NO								
22. Massachusetts	MA	NO								
23. Michigan	MI	NO								
24. Minnesota	MN	NO								
25. Mississippi	MS	NO								
26. Missouri	MO	NO								
27. Montana	MT	NO								
28. Nebraska	NE	NO								
29. Nevada	NV	NO								
30. New Hampshire	NH	NO								
31. New Jersey	NJ	NO								
32. New Mexico	NM	NO								
33. New York	NY	NO								
34. North Carolina	NC	NO								
35. North Dakota	ND	NO								
36. Ohio	OH	NO								
37. Oklahoma	OK	NO								
38. Oregon	OR	NO								
39. Pennsylvania	PA	NO								
40. Rhode Island	RI	NO								
41. South Carolina	SC	NO								
42. South Dakota	SD	NO								
43. Tennessee	TN	YES		921,158				921,158		
44. Texas	TX	NO								
45. Utah	UT	NO								
46. Vermont	VT	NO								
47. Virginia	VA	NO								
48. Washington	WA	NO								
49. West Virginia	WV	NO								
50. Wisconsin	WI	NO								
51. Wyoming	WY	NO								
52. American Samoa	AS	NO								
53. Guam	GU	NO								
54. Puerto Rico	PR	NO								
55. U.S. Virgin Islands	VI	NO								
56. Northern Mariana Islands	MP	NO								
57. Canada	CN	NO								
58. Aggregate other alien	OT	X X X								
59. Subtotal	X X X			921,158				921,158		
60. Reporting entity contributions for Employee Benefit Plans	X X X									
61. Total (Direct Business)	(a) 1			921,158				921,158		

DETAILS OF WRITE-INS									
5801.									
5802.									
5803.									
5898. Summary of remaining write-ins for Line 58 from overflow page									
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)									

(a) Insert the number of yes responses except for Canada and other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**





**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

**RESPONSE**

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

YES

**EXPLANATION:**

**BAR CODE:**

**OVERFLOW PAGE FOR WRITE-INS**

NONE	Schedule A - Part 2 and 3
NONE	Schedule B - Part 1 and 2
NONE	Schedule BA - Part 1 and 2
NONE	Schedule D - Part 3
NONE	Schedule D - Part 4
NONE	Schedule DB - Part A and B - Section 1
NONE	Schedule DB - Part C and D - Section 1

**SCHEDULE E - PART 1 - CASH**

### Month End Depository Balances

[illegible]

NONE

Schedule E - Part 2



00000200736500102

**MEDICARE PART D COVERAGE SUPPLEMENT**

For the Quarter Ended June 30, 2007

NAIC Group Code 0000

NAIC Company Code 00000

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected	195,249	XXX		XXX	195,249
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid	208,357	XXX		XXX	208,357
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX		XXX		
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid		XXX		XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	(13,108)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 0 due from CMS or \$ 0 due to CMS

# 2007 QUARTERLY DISKETTE TRANSMITTAL FORM AND CERTIFICATION (HEALTH)

Name of Insurer UAHC Health Plan of Tennessee Inc

Date 00000000

FEIN 62-1547197

NAIC Group # 0000

NAIC Company # 00000

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS. PLEASE PROVIDE ANY ADDITIONAL COMMENTS  
THAT MAY HELP TO IDENTIFY DISKETTE CONTENT

A.

	1st Qtr	2nd Qtr	3rd Qtr
1. Is this the first time you've submitted this filing? (Y/N)	N	N	N
2. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N)	N	N	N
3. Is this being re-filed due to changes to the data originally filed? (Y/N) (If "YES," ENCLOSE HARD COPY PAGES FOR THE CHANGES.)	N	N	N
4. Other? (Y/N) (If "yes," attach an explanation.)	N	N	N

B. Additional comments if necessary for clarification:

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C. Diskette Contact Person:

Phone:

Address:

D. Software Vendor: Financial Software Innovations, Inc.

Version: 2007.0

E. Have material validation failures been addressed in the explanation file?

Yes

No

XXX

F. The undersigned hereby certifies, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that quarterly statement information required to be contained on diskette is identical to the information in the 2007 Quarterly Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes submitted have been scanned through a virus detection software package, and no viruses are present on the diskette(s). The virus detection software used was

(Name)

(Version Number)

(Signed)

Type Name and Title

\*\*\* PRINT ON LETTER SIZE PAPER OR CUT ON DOTTED LINE \*\*\*